FRANK DeMARCO JR.
. . . Nixon tax lawyer

RALPH G. NEWMAN
. . . documents appraiser

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is expected to be a government witness in the trial of Newman and DeMarco.

Nixon has received a pardon from President Ford for all criminal acts he committed or may have committed during his term of office, so he could not be prosecuted in the case.

Yesterday's indictment contained four specific counts:

• Newman and DeMarco were charged together with conspiring to defraud the United States by "imparing, impeding, defeating, and obstructing the proper and lawful governmental functions of the Internal Revenue Service." The count carries a possible maximum jail term of five years and possible fine of $10,000.

• Newman was charged with aiding and assisting in the preparation of a false document filed with a federal income tax return—specifically

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a claim that he had personally examined Nixon's gift to the government in 1969 and appraised it at $576,000. That count carries a possible penalty of three years in jail and a $5,000 fine.

• A charge against DeMarco of lying about the alleged backdating scheme to IRS agents in 1973 who were auditing Nixon's 1970 return. That charge carries a possible penalty of five years in prison and a $5,000 fine.

• Another charge against DeMarco of obstructing the congressional Joint Committee on Internal Revenue Taxation in its inquiry by providing the committee with false documents about the Nixon gift. That charge carries maximum penalties of five years in jail and a $5,000 fine.

The alleged scheme laid out in detail in yesterday's indictment involves a group of pre-presidential papers that Nixon delivered to the General Services Administration in March, 1969.

A new tax law reducing the amount of deductions allowed for charitable contributions of personal papers was passed, effective July 26, 1969.

According to yesterday's indictment, DeMarco and Newman met on March 27, 1970, and discussed treating some of the previously delivered papers as a 1969 gift to the United States.

Newman called a National Archives employee that day and asked her to pick some papers as the gift, according to the indictment, and both defendants mailed her a letter describing the papers as a 1969 gift.

The indictment said the DeMarco-prepared schedule claiming the papers had been given March 27, 1969, and a Newman affidavit saying he had examined and appraised the papers at $576,000 in April, 1969.

Both false documents were attached to the Nixons' tax returns for 1969, the indictment said.

After tax audits, the Nixons were presented a back tax bill of more than $400,000 last year.

On April 17, Nixon paid $284,706.16 in back taxes, penalty and interest for 1970-1972. At last report, he had not paid $148,080.97 for 1969—which is beyond the statute of limitations.

DeMarco, 49, is a former law partner in a Newport Beach, Calif., firm with Herbert W. Kalmbach, who was at the time Nixon's personal attorney and a prominent campaign fund-raiser for Nixon.

Newman, 63, is a well-known Lincoln scholar and appraiser of historical documents.